

**Minutes of the Meeting of the
Nonprofit and Unincorporated Organizations Committee
of the Business Law Section**

Friday, October 24, 2008, 10:00 am to 12:00 noon (Conference Call)

A. Introductions:

In attendance were:

Liz Bluestein
Lani Meanley Collins
Joel Corwin
Cherie Evans
Jennifer Kassan
Gerry Laster
Henry Lesser

Nancy McGlamery
Louis Michelson
Lisa Runquist
Patrick Sternal
Todd Vlaanderen
Bill Webster
Gary Wolberg

B. Review of Minutes of last meeting and agenda

Minutes of the September meeting have been posted to the website at:
http://calbar.ca.gov/calbar/pdfs/sections/buslaw/nonprofit/nonprofit_2008-09-25_minutes.pdf

Because of technological issues, these minutes were not distributed to the committee until the morning of the meeting, so review of the minutes will be postponed to the next meeting. Any changes may be sent to Liz Bluestein.

C. Program – Revenue Generating Activities of Nonprofit Organizations

This program was presented to the group by Jennifer Kassan of Katovich Law Group. The presentation has been posted to the Committee's home page at:
http://calbar.ca.gov/calbar/pdfs/sections/buslaw/nonprofit/2008-10-24_npocom-presentation.pdf.

As shown in the presentation slides, Jennifer discussed tax issues relating to revenue generating activities, including the commerciality doctrine, and described various examples of revenue generating activities by nonprofits.

The committee was also reminded that at the February 29, 2008 meeting, the committee heard a presentation on issues relating to joint ventures between nonprofits and others. These materials are on the Committee's website at
http://calbar.ca.gov/calbar/pdfs/sections/buslaw/nonprofit/2008-02-29_joint-ventures_kase.pdf

D. Legislative Update

Cherie Evans, Vice Chair – Legislation, presented a report on the legislative matters that the committee has been following. This update is also posted on the Committee's home page at:

http://calbar.ca.gov/calbar/pdfs/sections/buslaw/nonprofit/2008-10-15_legislation-update.pdf

E. Status of Legislative Proposals

1. Pending proposals: As reported at the September meeting, the Committee's legislative proposals will be considered by the Board of Governors in November. If available, Cherie will attend that meeting to present the proposals.
2. Future proposals: Anyone who wishes to join the legislative subcommittee to consider legislative proposals for next year should let Cherie know. The subcommittee will start working next month, with the goal of presenting proposals to the Committee at the February and (if needed) May meetings.

F. “Legal Basics for Nonprofit Management” – State-Wide Program Sponsored by the Nonprofit & Unincorporated Organizations Committee

The Committee heard a report on the progress of scheduling programs throughout the state on the topic of “Legal Basics for Nonprofit Management.” The programs will cover tax, governance and employment law issues, and will be co-sponsored by local community foundations. So far, presentations are planned in the following locations, and being coordinated by the people listed below:

San Diego – Gary Wolberg and Jon Grissom (organized by Paul Dostart)
Los Angeles – Louis Michelson, assisted by Lisa Runquist, Patrick Sternal and Liz Bluestein, as schedules permit
Santa Barbara – Lani Collins and Mike Schley
San Francisco – Jennifer Kassan and Susan Zeme (employment law)

The Committee is seeking volunteers to organize and present the same program in other parts of California. Gerry Laster agreed to look into presenting a program in the Silicon Valley area.

The Committee will put an announcement in the State Bar bulletin about this statewide program. The Committee will also look into the possibility of videotaping the programs and putting a program on the website, so that people in other areas will be able to access the programs.

G. New Form 990

At last month's meeting, Lisa Runquist made a presentation entitled *Governance Issues in the New 990: Does the IRS Have The Right To Tell Nonprofits How They are to be Governed?* Henry Lesser noted that the new form 990 will cause many nonprofits and lawyers to focus on nonprofit governance issues. He suggested that the new 990 should be included in a follow-up governance seminar, which the Committee's executive committee will strongly consider. Henry also noted that materials regarding the new form 990 should be put on the Committee's web site. At last month's meeting a subcommittee was formed to deal with, among other things, policies and procedures that are responsive to Part VI of the new form 990, and it will, as suggested, consider what to put on the Committee's web site. Henry, as well as Lisa Runquist and Nancy McGlamery will be added to that subcommittee, which already includes Patrick Sternal, Barbara Rosen, Paul Dostart, Marty Trupiano, Lani Collins, Gerry Laster and Liz Bluestein, and which will be chaired by Joel Corwin.

H. Section Education Institute Update

The SEI conference will be held January 16 -18, in Berkeley, California. The Committee's proposed presentation: "What Your Nonprofit Needs to Know About Government Regulation" has been selected for inclusion in the program. Patrick Sternal and Cherie Evans have agreed to present the program.

I. Future Meetings

The schedule of future meetings is attached at the end of these minutes.

J. Programs for Future Meetings

Substantive programs for future meetings will be as follows:

December 4 - Brad Clark will present on the topic of designated directors, delegated directors, and other issues relating to different voting rights of directors.

January 20 – Joint meeting with Exempt Organizations Committee and Attorney General's office

February 27 – Discussion of legislative proposals.

April 3 – presentation from Secretary of State's Office

May 22 – Louis Michelson will present recent developments in exempt organization tax issues.

Committee members are asked to suggest ideas for presentations for future meetings.

K. Business Law News – Request for Articles

Committee members who write articles or client newsletters about any topic of interest to nonprofits should consider submitting them for publication in the Business Law News. The Committee discussed that the new Form 990 is a timely topic and that we should attempt to submit something on this topic soon. Any such articles should be sent to Lani Collins.

L. Substantive/Alert E-Bulletins

Lani reminded the Committee that we can send substantive “e-bulletins” to the listserv/constituency list of persons who have signed up to receive emails from this Committee. This will serve as a reminder that the Committee is a resource for information on nonprofit issues, and will encourage committee participation.

All Committee members are asked to submit such information to Joel Corwin at jcorwin@corwinlaw.us. The information can be in the form of a short paragraph, and should be sent as soon as any Committee member finds an item that would be of interest to the larger group.

The Committee also discussed whether we could create a chat-room for the members of the Committee and the constituency list. Lisa Runquist, the Committee’s liaison to the Business Law Section Executive Committee, will report back at a future meeting about how other Section committees communicate with interested constituents.

M. Announcements

Todd Vlaanderen of the Secretary of State’s office announced that the proposed business entity regulations have been submitted in substantially the same form as provided to the committee at the last meeting, and are expected to be published on October 31st.

The meeting was adjourned at 12:00 noon.

**Nonprofit and Unincorporated Organizations Committee
of the Business Law Section**

2008-2009 Committee Meeting Dates

Friday, October 24, 2008 10:00 a.m. to noon	Conference Call
Thursday, December 4, 2008 10:00 a.m. to noon	Los Angeles Program – Designated Directors, Delegations, Alternate Directors, etc. Presented by Brad Clark
Tuesday, January 20, 2009 10:00 a.m. to 1:00 p.m. (Lunch at noon)	Los Angeles – Joint Committee Meeting with the Exempt Organizations Committee of the Tax Section to meet and have a discussion with: Belinda Johns, Senior Assistant Attorney General, California Department of Justice, David Isaac, Franchise Tax Board
Friday, February 27, 2009 10:00 a.m. – noon	Conference Call
Friday, April 3, 2009 10:00 a.m. to noon	Oakland Program: Update by Todd Vlaanderen, Secretary of State
May 22, 2009 10:00 a.m. to noon	Conference Call
Tuesday, July 21, 2009 10:00 a.m. to 1:00 p.m. (Lunch at noon)	Oakland – Joint Committee Meeting with the Exempt Organizations Committee of the Tax Section to meet and have a discussion with: Belinda Johns, Senior Assistant Attorney General, California Department of Justice, David Isaac, Franchise Tax Board
September 2009	State Bar Meeting